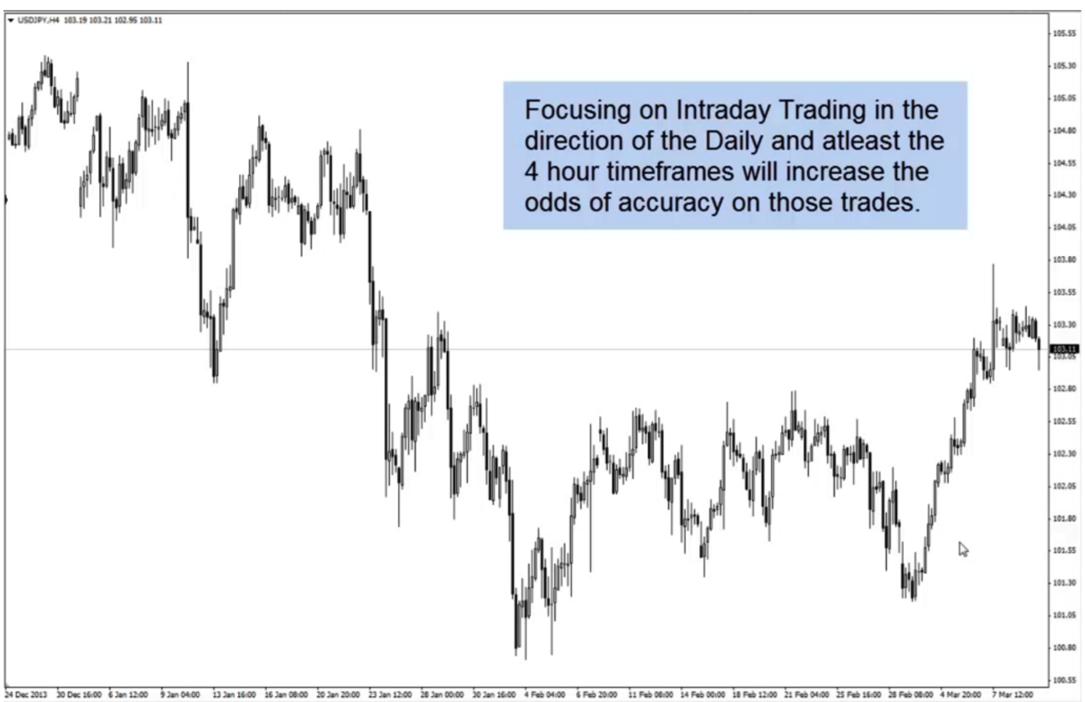
2014-03-11 Yen Day Trade

Sunday, March 30, 2014 5:20 PM

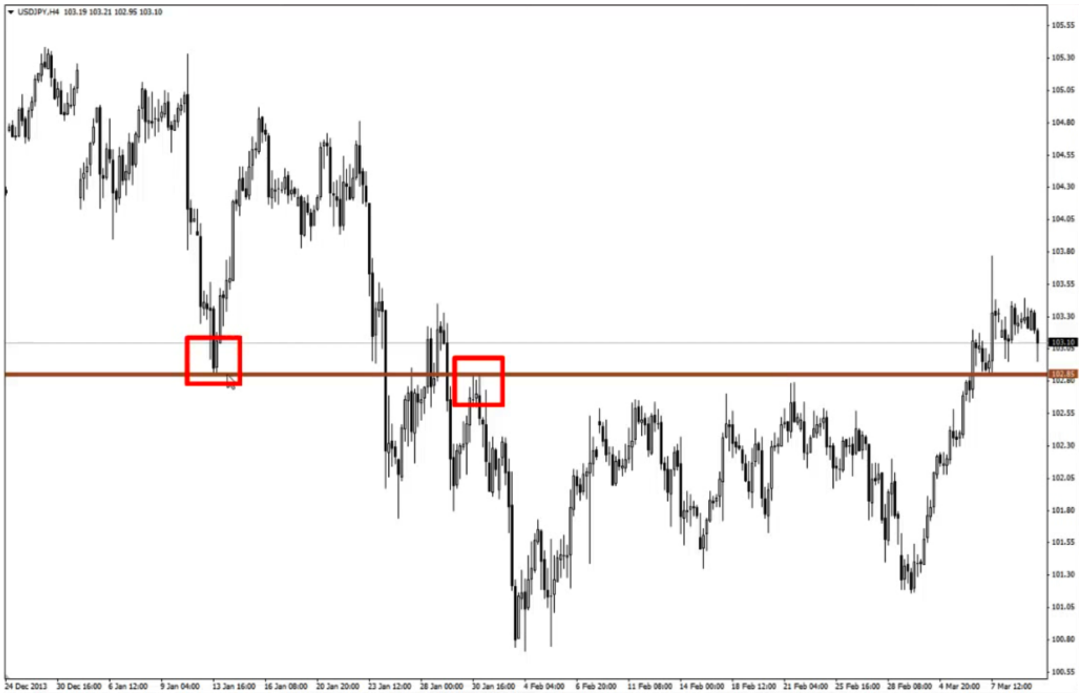
- Below is a screen shot of the daily chart for the USD/JPY day trade. The day that he traded is highlighted in green. The low that the Fibs is drawn from is an intermediate term low because there is a higher low on both sides of it. After the higher low formed after it, market structure broke to the upside and then retraced back into the optimal trade entry. It quickly snapped away from the optimal trade entry so it was probably a stop raid to thrust prices higher. The combination of the stop raid, OTE, and clearly bullish market structure built a very powerful premise to a trade idea.



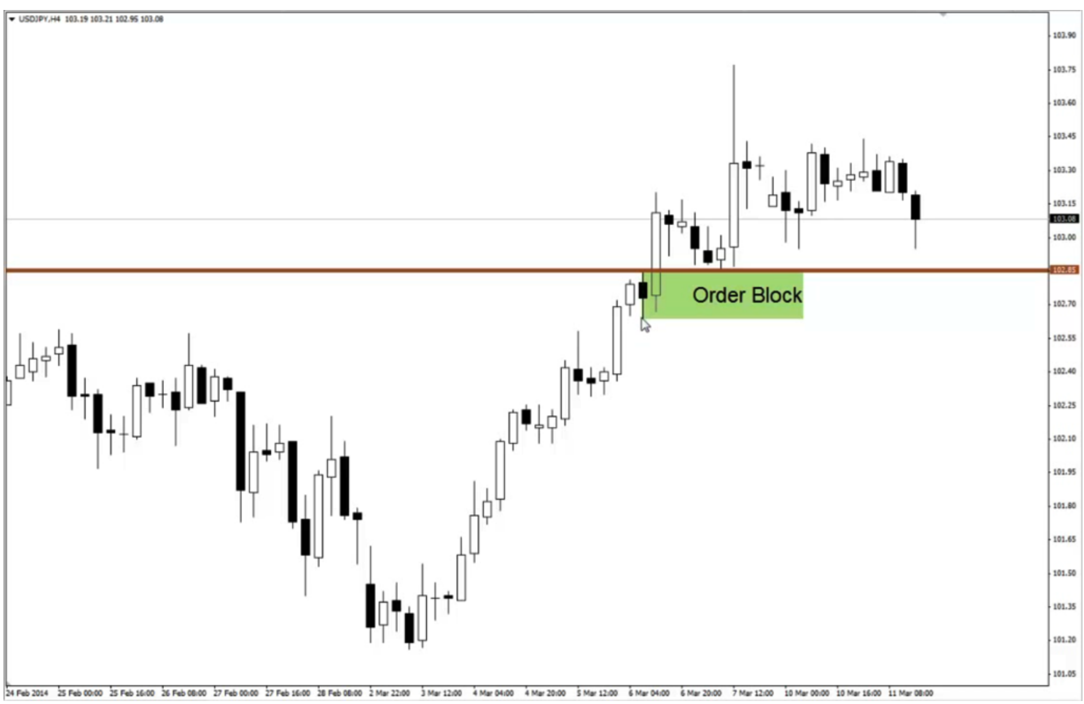
- Below is a screen shot of the 4 hour chart:



- Below is another screen shot of the 4 hour chart. Price moved convincingly through that resistance level so when it retraces we would expect it to bounce at an order block around that level.



- Somewhere in the order block candle below, smart money was doing a lot of buying. Price should react to that candle's high, open, low, or close. Institutional levels can guide us as to where it may react within the order block.



- When you draw out the order block candle's high you can see how lovely price reacted at it.



- When drawing the Fibs, the order block candle high converges very nicely with the 62% retracement level.



- Looking at the 1 hour chart below, we can see how nicely we are cycling between small ranges and large ranges. After we see some small ranges around support with other factors supporting we can expect a large range bar soon. The directional bias is to the upside so we can try to frame that bias around time & price theory.



- During consolidations, the market makers are pairing orders.
- When you really study the left side of the chart on the weekends it helps establish confidence in what you think is going to happen on the right side of the chart. Each time you do it you build more and more understanding. Your eye will begin to see things that will be identified as opportunities.